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February 4, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Hand Delivered

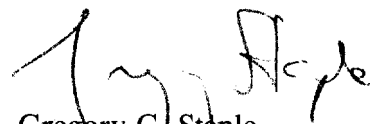
Re: CC Docket No. 97-211

Dear Ms. Salas:

Transmitted herewith, on behalf of Telstra Corporation Limited, are an original and four copies of a Motion to Extend Date for Reply Comments Regarding GTE Motion to Dismiss and to Establish and Additional Public Comment Cycle in the above-referenced proceeding. Appropriate notifications concerning this motion have been made pursuant to Section 1.46(c) of the Commission's Rules.

In the event there are questions concerning this matter, please contact me.

Very truly yours,


Gregory C. Staple

Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Application of WorldCom, Inc. and
MCI Communications Corporation
for Transfer of Control of
MCI Communications Corporation to
WorldCom, Inc.

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CC Docket No. 97-211

To: The Commission

**Motion To Extend Date For Reply Comments Regarding GTE
Motion To Dismiss And To Establish An Additional Public Comment Cycle**

Telstra Corporation Limited ACN 051 775 556 ("Telstra"), by its attorneys, and pursuant to Section 1.46 of the Commission's Rules, 47 C.F.R. § 1.46, hereby requests that: (1) the time be extended for filing "Reply Comments" regarding the January 5, 1998 "Motion to Dismiss" filed by GTE Service Corporation and affiliated companies (collectively "GTE") regarding the above referenced applications; and (2) the FCC provide for an additional public comment cycle during which replies to the GTE Motion also would be due.

The public interest requires grant of this motion because, to date, the applicants WorldCom Inc. (WorldCom) and MCI Communications Corporation (MCI) have yet to submit to the FCC -- and, thus Telstra and other parties have yet to review -- all relevant factual materials, including relevant documents submitted to the Department of Justice (DOJ) pursuant

to the Hart-Scott-Rodino Antitrust Improvements Act, necessary for the FCC to determine whether their proposed merger is in the public interest. Nor have interested parties had an opportunity to review other relevant FCC documents requested in pending Freedom of Information Act (FOIA) requests filed by Telstra and certain other parties.¹

Good cause exists to extend and expand the pleading cycle in this docket to safeguard the statutory rights of interested parties to comment on the WorldCom-MCI application as provided, inter alia by Section 214 of the Communications Act of 1934, as amended, and the Commission's Rules. An expanded pleading cycle is also warranted to ensure that the applicants' landmark \$40 billion merger -- the largest transaction even to come before the Commission -- receives the close and careful public interest scrutiny which is warranted.

Discussion

The Commission has thus far provided for two quite abbreviated and largely concurrent pleading cycles on the parties' applications, the last of which expires on February 5, 1998. Following the applicants' November 1, 1997 amendment to their original transfer of control applications, the FCC set a pleading cycle which provided a single opportunity for public comment on January 5 with "Oppositions/Responses", presumably by WorldCom and MCI, due on January 26, 1997.² This cycle provided no formal opportunity for interested parties to

¹ See Telstra's "Freedom of Information Act Request And Request For Expedited Action," CC Docket No. 97-211 filed January 23, 1998. See also GTE's "Request to Inspect Protected Information Freedom of Information Act Request," CC Docket No. 97-211, dated January 5, 1998.

² FCC Public Notice, "WorldCom, Inc. and MCI Communications Corporation Seek FCC Consent For Proposed Merger," DA 97-2494, released November 25, 1997.

reply to any Opposition or Response which the applicants might submit.

Subsequently, on January 12, 1998, in response to GTE's January 5, 1998 "Petition to Deny" the WorldCom-MCI applications, the FCC initiated a second comment cycle providing for comments to be filed on January 27 and responses on February 5.³ This second pleading cycle also does not offer a meaningful opportunity for interested parties to "reply" to any post-application submissions by WorldCom and MCI because it provides just seven business days for the parties to review and comment on the applicants' January 27 "Joint Opposition" to the GTE motion although that pleading, and the related January 26 WorldCom-MCI "Joint Reply" in the first pleading cycle, comprise over 400 hundred pages of arguments, factual recitations and expert affidavits.⁴

Beyond that, these two pleadings by WorldCom and MCI are the first substantive, though still deficient, public interest submissions which the applicants have sought to make. To require all interested parties to review and respond to these filings in one week, especially in the case of foreign parties, such as Telstra, which must coordinate their document review with local counsel, would make a mockery of the FCC's public comment process. This is especially so given the agency's prior acknowledgment that the current proceeding "raises

³ FCC Public Notice, "Commission Seeks Comment on GTE Service Corporation Motion to Dismiss Application of WorldCom, Inc. and MCI Corporation for Transfer of Control of MCI to WorldCom," DA 98-49, released January 12, 1998.

⁴ See respectively the "Joint Opposition To GTE Service Corporation Motion To Dismiss," dated January 27, 1998 and "Joint Reply Of WorldCom, Inc. and MCI Communications Corporation To Petitions To Deny and Comments," dated January 26, 1998.

broad issues of public policy”⁵ and the wide domestic and foreign interest which the parties’ transfer of control applications have attracted.

Other factors also make this one week “response” period especially inequitable and, indeed, unlawful, in the current case. First, as noted above, to date, the FCC has yet to act on the outstanding FOIA request filed by Telstra or, to our knowledge, the like request of GTE. Telstra’s request was filed to ensure that it had access to the relevant factual and legal documents necessary for it to complete its review of the competitive impact which the parties merger would have on the provision of Internet services and the right of foreign Internet Service Providers (ISPs) to access the post-merger company’s Internet backbone facilities on unbundled, cost-based terms. The amended November 21, 1997 transfer of control application is but nine pages and contains no factual public interest showing regarding these matters.

Similarly, although WorldCom and MCI have recently filed hundreds of pages of additional documents on January 26 and January 27, these filings still beg the facts in key respects. For example, the parties do not fully disclose the terms on which the post-merger company: (a) will provide international private line (IPLs) for Internet access; (b) will peer with other companies for Internet backbone services; (c) will adopt competitive safeguards to ensure that unaffiliated ISPs are not treated less favorable than the company’s own ISPs in obtaining basic transmission facilities and services. In addition, the parties acknowledge that they have yet to comply with the DOJ’s informational requests under the Hart-Scott-Rodino

⁵ FCC Public Notice, DA 97-2494, *supra* at p. 3.

Act.⁶ That presumably is why the FCC has yet to receive any of the relevant Hart-Scott-Rodino Act documents, to our knowledge, and to grant the parties' FOIA requests.


In these circumstances, Telstra submits that the existing pleading cycle on the GTE Motion to Dismiss should be tolled and FCC review of the merger application postponed. Further, to protect the rights of all interested parties and to avoid any further duplication of effort, the agency should establish a new pleading cycle which should begin, upon issuance of a new Public Notice, 30 days after: (a) the FCC receives all relevant Hart-Scott-Rodino Act documents from the DOJ; and (b) makes said Hart-Scott-Rodino Act documents available to parties, together with any other relevant documents, pursuant to outstanding FOIA requests. Further, the pleading cycle should provide at least 21 calendar days for responses to initial comments and at least 14 calendar days for replies. Replies to the GTE Motion should be due concurrent with the reply date under the Commission's further pleading cycle.

⁶ See e.g., WorldCom and MCI "Joint Reply", supra Attachment G, "Amendment No. 3 to Form S-4 Registration Statement Under The Securities Act of 1933" dated January 22, 1998, page 87: "On October 31, 1997 each of WorldCom and MCI received a request for additional information from the DOJ [under the Hart-Scott-Rodino Act]. MCI and WorldCom intend to begin providing such additional information shortly."

Lastly, in the event this Motion is denied, and the Commission does not postpone the February 5, 1998 reply date regarding GTE's Motion to Dismiss, Telstra requests an additional seven business days to file a reply based upon the reasons stated above.

Respectfully submitted,

TELSTRA CORPORATION LIMITED



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February 4, 1998

CERTIFICATE OF SERVICE

I, Barbara Frank, a legal secretary in the firm of Koteen & Naftalin, L.L.P., hereby certify that on the 4th day of February 1998, copies of the foregoing "Motion To Extend Date For Reply Comments Regarding GTE Motion To Dismiss And To Establish An Additional Public Comment Cycle", were deposited in the U.S. mail, postage prepaid, or hand delivered*, addressed to:

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Barbara Frank